



## CITY OF CARLSBAD - AGENDA BILL

AB#		REPORT ON CITY INVESTMENTS	DEPT. HEAD	
MTG.		AS OF FEBRUARY 28, 2009	CITY ATTY.	
DEPT.	TRS		CITY MGR.	

### **RECOMMENDED ACTION:**

Accept and file report.

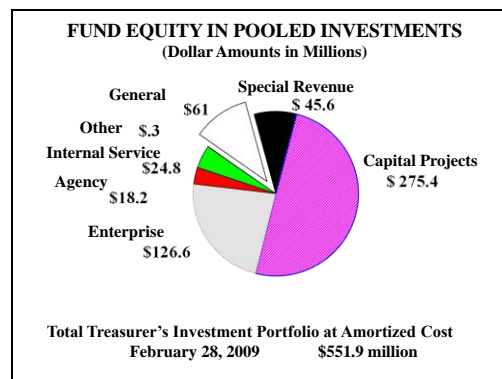
### **ITEM EXPLANATION:**

The City's Investment Policy requires the City Treasurer to report to the City Council on a monthly basis the status of the City's pooled investment portfolio. A quarterly report is also required for the investments of bond proceeds held separately. The City's pooled investment portfolio as of the month ended February 28, 2009 is summarized below.

Pooled Investment Portfolio (Cash and Securities)		
	Current Month	Prior Month
Par Value	548,778,541	553,806,974
Cost of Investments	553,970,633	559,257,741
Amortized Cost (1)	551,937,825	557,452,274
Market Value (2)	558,281,034	564,742,844

- (1) The cost of investments adjusted for amortized premiums and discounts.  
 (2) The amount at which the investments could be sold. Source of market values is Union Bank of California's custodial report as of 2/28/09.

The equity portion of the various funds in the total portfolio is summarized in the graph below. Fund balances are restricted for various purposes. See Exhibit 7 for a more detailed breakdown.



### ***FOR CITY CLERKS USE ONLY.***

<b>COUNCIL ACTION:</b>	<b>APPROVED</b>	<input type="checkbox"/>	<b>CONTINUED TO DATE SPECIFIC</b>	<input type="checkbox"/>	_____
	<b>DENIED</b>	<input type="checkbox"/>	<b>CONTINUED TO DATE UNKNOWN</b>	<input type="checkbox"/>	
	<b>CONTINUED</b>	<input type="checkbox"/>	<b>RETURNED TO STAFF</b>	<input type="checkbox"/>	
	<b>WITHDRAWN</b>	<input type="checkbox"/>	<b>OTHER – SEE MINUTES</b>	<input type="checkbox"/>	
	<b>AMENDED</b>	<input type="checkbox"/>			

DEPARTMENT CONTACT: Nancy Sullivan (760) 602-2473 [nsull@ci.carlsbad.ca.us](mailto:nsull@ci.carlsbad.ca.us)

<b>Pooled Investment Interest Income</b>			
	<b>Current Month FYTD</b>	<b>Prior Month FYTD</b>	<b>Current Month Income</b>
Cash Income Fiscal Year-to-Date *	17,173,665	14,527,138	2,646,527

\*The cash income received is adjusted for any accrued interest purchased.

<b>Pooled Investment Performance/M Measurement</b>			
	<b>Average Life (Years)</b>	<b>Average Yield To Maturity</b>	<b>Modified Duration</b>
December 2008	1.84	3.94%	1.701
January 2009	1.69	3.76%	1.568
February 2009	1.56	3.57%	1.445

All pooled investments have been made in accordance with the City's Investment Policy adopted January 2, 1985 and last revised February 13, 2007. All investments were initially made in accordance with the City's Investment Policy. Events subsequent to the purchase might have resulted in some investments not being in compliance with the current policy. These events are typically a change in the City's Investment Policy, a change in the credit rating subsequent to a purchase, or a temporary reduction in total portfolio assets. See Exhibit 8 for details.

The pooled investment portfolio has the ability to meet the City's cash flow demands for the next six (6) months.

**EXHIBITS FOR POOLED INVESTMENTS:**

1. Investment Portfolio Breakdown By Amortized Cost, Market Value, Cash Income, and Average Yield
2. Investment Portfolio Breakdown Of Maturities
3. Yield Comparison Graph
4. Market Yield Curve
5. Cumulative Cash Income Graph
6. Fund Equity in Pooled Investments

**CITY OF CARLSBAD INVESTMENT PORTFOLIO  
AS OF FEBRUARY 28, 2009**

***BREAKDOWN BY AMORTIZED COST, MARKET VALUE, CASH INCOME, AND AVERAGE YIELD BY CLASS***

<u>Class</u>	<u>AMORTIZED COST</u>		<u>MARKET VALUE</u>		<u>Cash Income Year to Date</u>	<u>AVERAGE YIELD</u>	
	<u>Current Month</u>	<u>Prior Month</u>	<u>Current Month</u>	<u>Prior Month</u>		<u>Current Month</u>	<u>Prior Month</u>
CD	33,000	33,000	33,000	33,000	422	1.88	1.88
FN	7,582,300	2,939,500	7,619,240	2,987,100	0	3.11	3.11
CP	0	0	0	0	0	0.00	0.00
TR	2,058,246	2,059,229	2,123,280	2,122,730	0	2.44	2.44
FA	328,016,930	361,277,222	335,632,042	369,525,132	12,553,692	3.85	3.99
CN	93,514,848	93,542,389	92,140,971	92,473,948	3,366,539	4.74	4.74
LAIF	118,656,376	94,904,070	118,656,376	94,904,070	1,244,307	1.97	2.06
CUSTODY	662	409	662	409	1,720	0.20	0.15
SWEEP	1,524,163	2,127,741	1,524,163	2,127,741	6,986	0.01	0.00
BANK ACCT	551,299	568,714	551,299	568,714	0	0.01	0.00
<b>TOTALS</b>	<b>\$551,937,825</b>	<b>\$557,452,274</b>	<b>\$558,281,034</b>	<b>\$564,742,844</b>	<b>\$17,173,665</b>	<b>3.57%</b>	<b>3.76%</b>

CD - Certificate of Deposit  
FN - Federal Discount Notes  
CP - Corporate Paper

TR - US Treasury  
FA - Federal Agency  
CN - Corporate Notes

LAIF - Local Agency Investment Fund  
Custody - Investment Cash account  
SWEEP - General Fund Overnight Cash account  
Bank Account - General Fund Cash account

**CITY OF CARLSBAD INVESTMENT PORTFOLIO  
AS OF FEBRUARY 28, 2009**

***BREAKDOWN OF MATURITIES BY CLASSIFICATION AND LENGTH OF TIME***

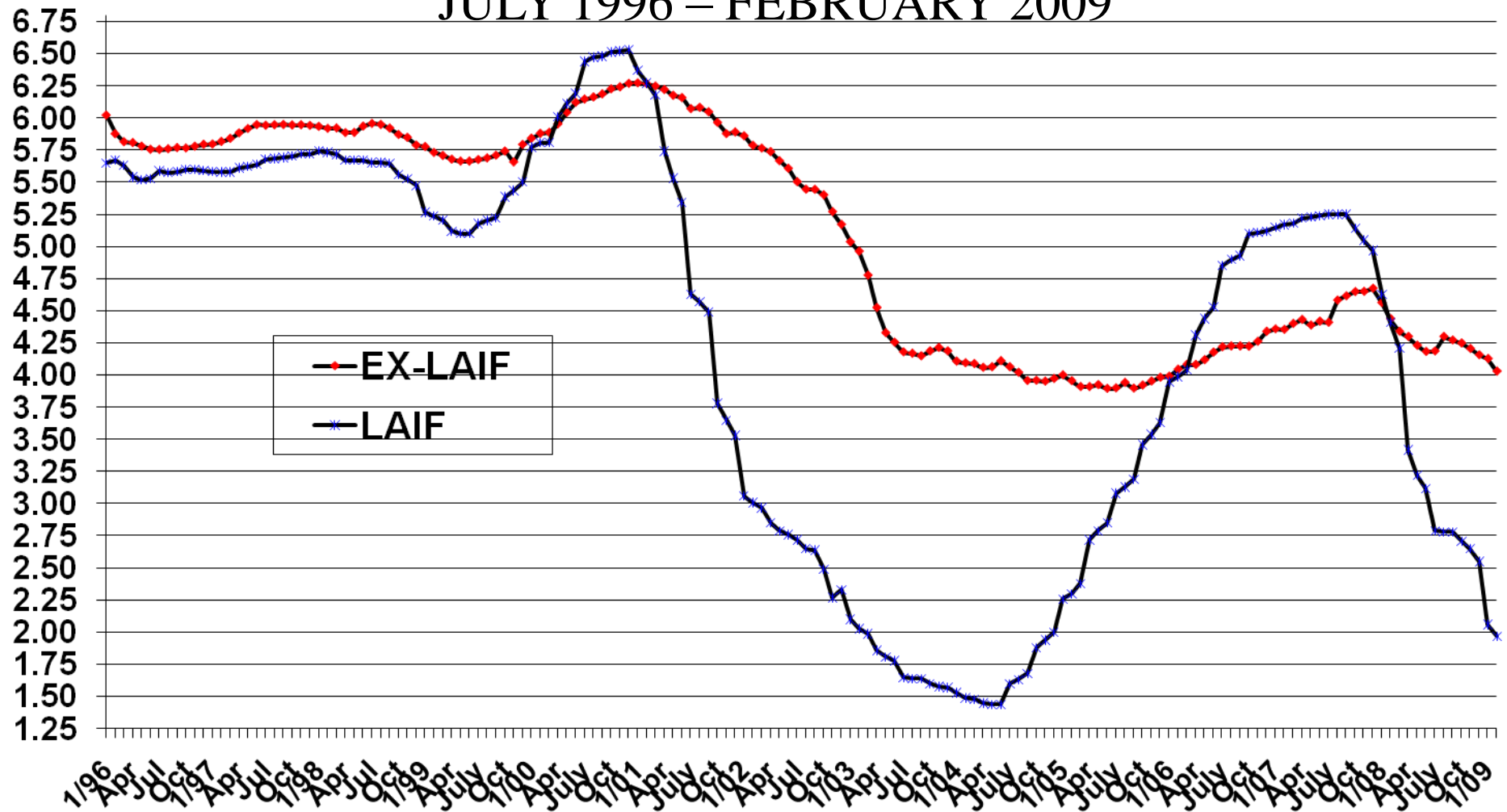
<u>CLASS</u>	<u>WITHIN 6 MONTHS</u>	<u>7 MONTHS TO 1 YEAR</u>	<u>1 TO 5 YEARS</u>	<u>TOTAL</u>	<u>% TOTAL</u>
CD	33,000	0	0	33,000	0.0%
FN	0	2,914,250	0	2,914,250	0.5%
CP	0	0	0	0	0.0%
TR	0	0	2,062,109	2,062,109	0.4%
FA	67,444,461	33,279,080	233,612,391	334,335,932	60.4%
CN	7,171,222	12,012,386	74,709,233	93,892,841	17.0% (2)
LAIF	118,656,376	0	0	118,656,376	21.4%
CUSTODY	662	0	0	662	0.0%
SWEEP	1,524,163	0	0	1,524,163	0.3%
BANK ACCT	551,303	0	0	551,303	0.1%
<b>TOTALS</b>	\$195,381,187 (1)	\$48,205,716 (1)	\$310,383,733	\$553,970,636	100.0%
% TOTALS	35.3%	8.7%	56.0%	100.0%	
Total within One Year		\$243,586,904 (1) 44.0%			

**POLICY:** (1) Not less than \$130,125,000 to mature within one year. (2/3rds of current year operating budget of \$195,180,000.00)  
(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes.

# YIELD COMPARISON

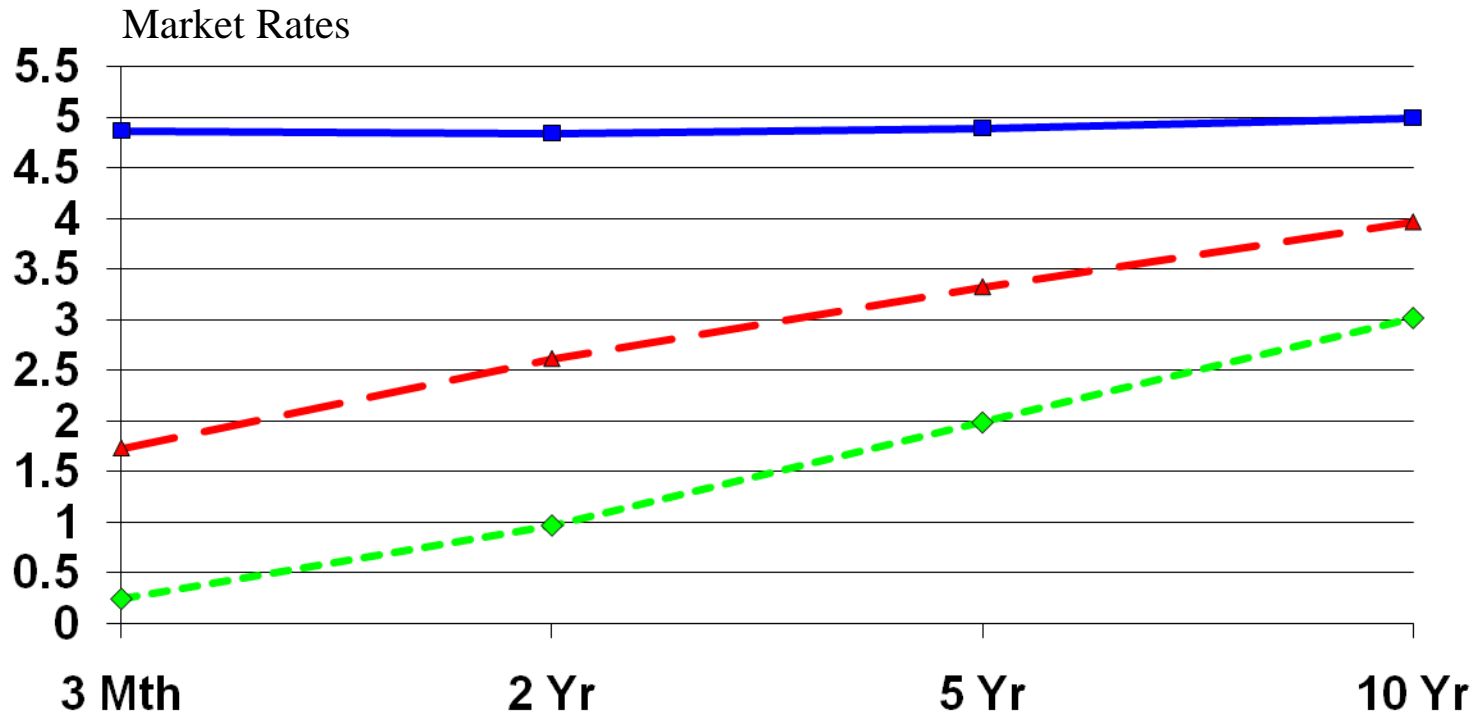
PORTFOLIO EX-LAIF VS. LAIF

JULY 1996 – FEBRUARY 2009



# MARKET YIELD CURVE

6/30/07, 6/30/08, 2/28/09



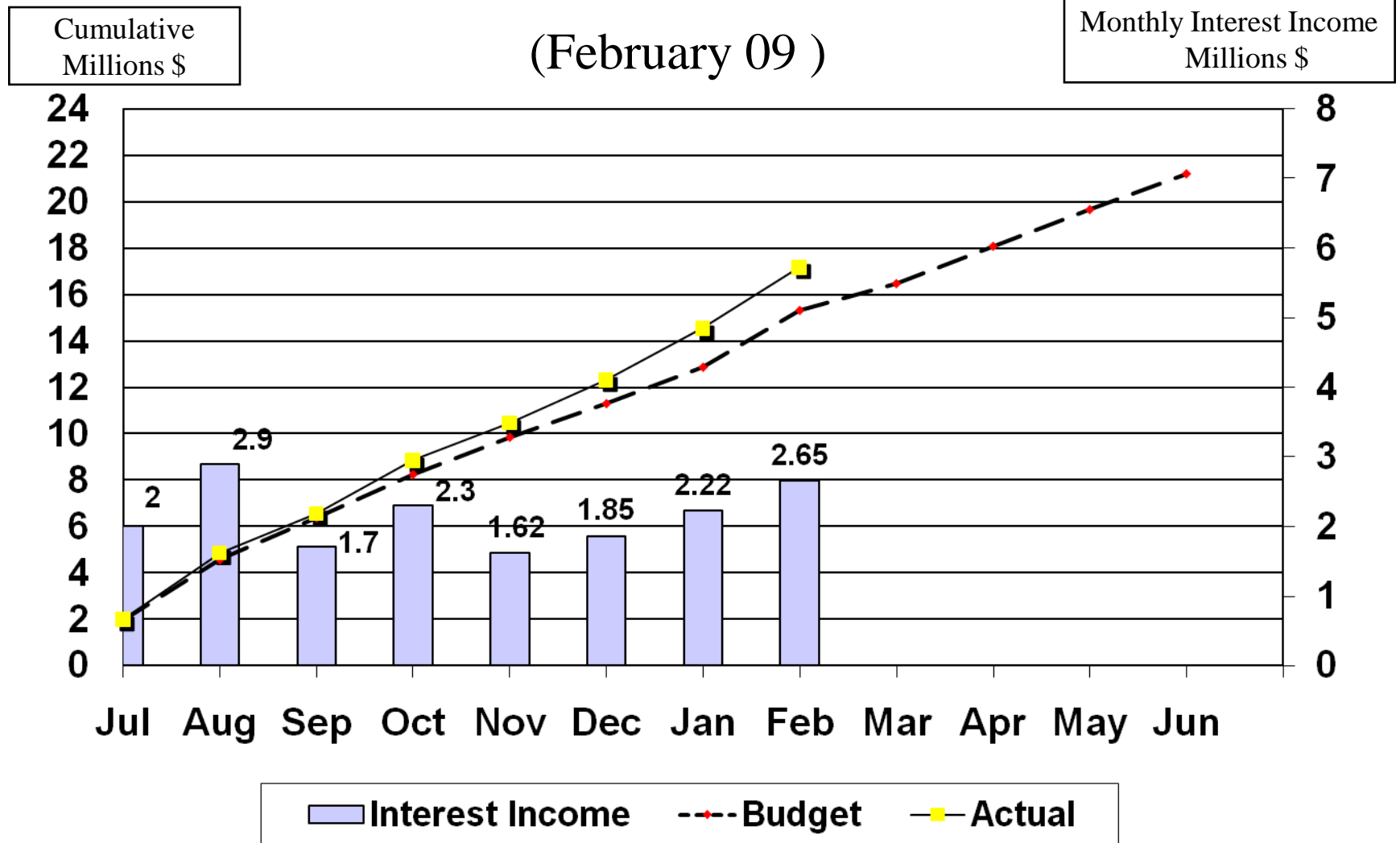
<span style="color: blue;">—■—</span> 06/30/2007
<span style="color: red;">-▲-</span> 06/30/2008
<span style="color: green;">-◆-</span> 02/28/2009

3 Mth	2 Yr	5 Yr	10 Yr
4.86	4.84	4.89	4.99
1.73	2.62	3.33	3.97
.25	.97	1.98	3.01

# Cumulative Cash Income

## FY08-09

(February 09 )



**CITY OF CARLSBAD**  
**Fund Equity in Pooled Investments**  
**AS OF FEBRUARY 28, 2009**

**Cash Balance by Fund:**

General		61,032,787
Special Revenue		45,620,551
Debt Service		4,072,092
Capital Projects:		
General Capital Construction	65,713,024	
Traffic Impact Fees	14,136,922	
Public Facilities Fees	41,833,161	
Park Development	2,787,844	
Transnet Taxes	5,535,164	
Drainage Fees	8,468,247	
Special Districts	85,357,073	
Infrastructure Replacement	46,501,133	
Other Capital Construction	5,021,122	
	Total	275,353,687
Enterprise:		
Carlsbad Municipal Water District	62,724,022	
Sewer Fund	54,920,729	
Solid Waste	6,660,543	
Storm Water	1,466,910	
Golf Course	786,873	
	Total	126,559,077
Internal Service		24,779,474
Agency Funds		18,227,210
Redevelopment Funds (1)		0
Misc. Special Funds		0
<b>Total General Ledger Balance **</b>		<b>555,644,879</b>
Reconciling Adjustments (2)		(3,707,054)
<b>Total Treasurer's Investment Portfolio at Amortized Cost</b>		<b>551,937,825</b>

(1) Redevelopment Fund Balances are interspersed throughout all funds.

(2) The Reconciling Adjustments consist of differences between the General Ledger which is prepared on an accrual basis and the Treasurer's report which is prepared on the cash basis. Accrued Interest, amortized premium or discounts and outstanding checks and deposits in transit are not included in the Treasurer's summary. Differences between the time journal entries are posted and the time this report is produced may also be a component of the adjustment.

\*\* Figures based on best estimate at the time report run on 03/09/09